

MEETING NO. 4184  
JOURNAL OF PROCEEDINGS  
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM  
OF THE CITY OF DETROIT  
HELD WEDNESDAY, **MAY 31, 2017**

10:00 A.M.

RETIREMENT SYSTEMS' CONFERENCE ROOM  
ALLY DETROIT CENTER, 500 WOODWARD; SUITE 3000  
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

Wendell Anthony  
Lori Cetlinski  
Tasha L. Cowan  
James Chubb  
John Naglick  
June Nickleberry  
Gail Oxendine  
Thomas Sheehan

Trustee  
Trustee  
Trustee/Vice-Chair  
Ex-Officio Trustee/Deputy-Treasurer  
Ex-Officio Trustee/Finance Director  
Trustee  
Trustee  
Trustee/Chair

TRUSTEES EXCUSED

Scott Benson

Ex-Officio Trustee/City Council Member

TRUSTEES ABSENT

None

ALSO PRESENT

Cynthia A. Thomas  
Lamonica Arrington-Cabean  
Ryan Bigelow  
Michael Krushena  
Michael VanOverbeke  
TaKneisha Johnson

Executive Director  
Manager II  
Chief Investment Officer  
Assistant Chief Investment Officer  
General Counsel  
Administrative Assistant II

STAFF EXCUSED

None

CHAIRMAN

**THOMAS SHEEHAN**

The Board's Administrative Assistant took a verbal Roll Call at 10:14 a.m. and Chairperson Sheehan called the meeting to order.

Present at Roll Call: Lori Cetlinski, James Chubb, Tasha L. Cowan, John Naglick, June Nickleberry, Gail Oxendine and Thomas Sheehan

**Re: Service Retirement(s)**

Motion By: Trustee Nickleberry - Supported By: Trustee Cetlinski

NAME, TITLE, DEPARTMENT	Donnie King – TEO – Transportation
SERVICE CREDIT	27-05
EFFECTIVE DATE	04-25-17

NAME, TITLE, DEPARTMENT	Wendell Mansfield – General Auto Mechanic -Transportation
SERVICE CREDIT	28-02
EFFECTIVE DATE	04-25-17

NAME, TITLE, DEPARTMENT	Shelia Udeozor – Adm Asst Gd IV - Transportation
SERVICE CREDIT	28-10
EFFECTIVE DATE	05-06-17

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

**Re: Early Retirement(s)**

Motion By: Trustee Nickleberry - Supported By: Trustee Cetlinski

**RESOLVED**, that the application(s) for **EARLY RETIREMENT** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Darlene E. Tolbert – Team Leader – Water & Sewerage
SERVICE CREDIT	25-04
EFFECTIVE DATE	02-18-17

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

**Re: Vested Retirement(s)**

Motion By: Trustee Nickleberry - Supported By: Trustee Cetlinski

**RESOLVED**, that the application(s) for **VESTED RETIREMENT** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Carmen E. Kelly – Analytical Chemist – Health
SERVICE CREDIT	13-01
EFFECTIVE DATE	05-01-17

NAME, TITLE, DEPARTMENT	Dennis J. Pawlowski – Auto Repair Sub-Foreman - Transportation
SERVICE CREDIT	12-02
EFFECTIVE DATE	04-01-17

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

**Re: Hybrid Retirement(s)**

Motion By: Trustee Nickleberry - Supported By: Trustee Cetlinski

**RESOLVED**, that the application(s) for **HYBRID RETIREMENT** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Adrienne D. Smith – Adm Asst Grd III – PW - DPW
SERVICE CREDIT	02-10
EFFECTIVE DATE	05-02-17

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

**Re: Option Change(s)**

Motion By: Trustee Nickleberry - Supported By: Trustee Cetlinski

**RESOLVED**, that the application(s) for **Option Change** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Henry J. Brown – Vehicle Operator I - DPW
SERVICE CREDIT	27-05
EFFECTIVE DATE	02-01-17
FROM:	Option Two
TO:	Option Two/Equate Age 62

NAME, TITLE, DEPARTMENT	Janice Ann Evans – Head Clerk – Information Tech Services
SERVICE CREDIT	26-02
EFFECTIVE DATE	03-11-17
FROM:	Straight Life/Equate Age 62
TO:	Option One/Equate Age 62

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

**Re: Change of Computation**

Motion By: Trustee Nickleberry - Supported By: Trustee Cetlinski

**RESOLVED**, that the application(s) for **Change of Computation** which is outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Maurice D. Lynn – Water Systems Helper – Water & Sewerage
SERVICE CREDIT	18-07
EFFECTIVE DATE	04-09-17

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

**Re: Monthly Pension Payroll**

Resolution Moved By: Trustee Nickleberry - Supported By: Trustee Oxendine

**RESOLVED**, that the Board **APPROVE** the following Pension Payroll:

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT			
MONTHLY PENSION PAYROLL FOR APPROVAL			
5/31/2017			
May 31, 2017			
PAYEE NAME		DESCRIPTION	AMOUNT
<b>DISBURSEMENTS</b>			
First Independence Bank		Pension Payroll - Legacy Direct Deposit	14,803,715.15
MISDU		Child Support Deductions	24,181.63
First Independence Bank		Pension Payroll - Hybrid Direct Deposit	17,105.56
First Independence Bank		Pension Payroll - Hybrid Checks	10,834.19
First Independence Bank		Pension Payroll - Legacy Checks	1,672,977.06
Diversified Members Credit Union		Loan Payment Deductions	622,212.17
Detroit Employee Benefit Plan		Benefit Payments - Life Insurance	3,369.65
Detroit Employee Benefit Plan-VEBA (to RHC)		Benefit Payments - Health, Eye & Dental	424,256.51
Federal Tax		Withholding	1,775,264.37
State Tax & Assoc. Fees		Withholding	316,513.29
<b>TOTAL DISBURSEMENTS</b>			<b>\$ 19,670,429.58</b>

Prepared by Fort, Brie 5/30/17

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Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

**RECEIPTS:** The Board received the following receipts for Acknowledgment.

THE GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT			
WEEKLY RECEIPTS FOR ACKNOWLEDGEMENT			
5/15/17 - 5/26/17			
May 31, 2017			
REMITTER NAME	DATE POSTED	DESCRIPTION	AMOUNT
<b>RECEIPTS</b>			
WALTON STREET REAL ESTATE FUND IV LP	05/16/17	Distribution	120,123.83
HOSPIRA, INC	05/18/17	Class Action Proceeds	24.21
SSGM COMMISSION	05/19/17	Recapture Activity for April 2017	3,267.84
POLICE & FIRE RETIREMENT SYSTEM	05/19/17	Reimburse Staff Wages	8,959.91
ORTHOFIX INTERNATIONAL NV	05/25/17	Class Action Proceeds	45.63
MESIROW FIN PRIV EQU PSHIP FUND III LP	05/25/17	Distribution	200,000.00
CITY OF DETROIT	05/19/17	Weekly Mandatory Pension Contribution	98,753.09
CITY OF DETROIT	05/19/17	Weekly Annuity Contribution	63,778.03
CITY OF DETROIT	05/26/17	Weekly Mandatory Pension and Annuity Contributions	346,987.38
		<b>TOTAL RECEIPTS</b>	<b>\$ 841,939.92</b>

Prepared by Fort, Brie 5/30/17

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GENERAL RETIREMENT SYSTEM  
CITY OF DETROIT

MEETING NO. 4184  
MAY 31, 2017

**Re: Fees and Expenses**

Resolution Moved By: Trustee Cetlinski - Supported By: Trustee Chubb

**WHEREAS**, the Board has been presented with the List of Disbursements for Board Approval which is referenced below requesting payment for Fees and Expenses, and

**WHEREAS**, the Board has been requested to approve payment of said Fees and Expenses;  
**THEREFORE BE IT**

**RESOLVED**, that subject to staff audit and approval of all Legal Fees by the Board's General Counsel, the Board **APPROVE** payment of the following Fees and Expenses:

**General Retirement System**

Company: RSCD-General

User: awitt

Branch: LEGACY

Meeting Date: 5/31/17

Account	Payment Method					
F ACCT PAY	Check Payment					
Type	Vendor Ref.	Vendor Name	Bill Description	Due Date	Balance	To Pay
BILL	493227390	ADP, INC	Check Printing Services	6/11/2017	8,491.77	8,491.77
BILL	610088	Bodman	Pension ERP Procentia Contract Review	5/15/2017	4,564.65	4,564.65
BILL	4022221315	CANON SOLUTIONS AMERICA, INC	Copier Maintenance	6/11/2017	68.25	68.25
BILL	300731143	CINTAS CORPORATION-300	Floor Mats	5/19/2017	71.30	71.30
BILL	300750080	CINTAS CORPORATION-300	Floor Mats	6/18/2017	71.30	71.30
BILL	702055	CLARK HILL, PLC	Alamerica Bank thru 2/28/17	4/29/2017	17,229.22	17,229.22
BILL	702058	CLARK HILL, PLC	Chapter 9 Compliance & Implementation thru 2/28/17	4/29/2017	221.52	221.52
BILL	702059	CLARK HILL, PLC	Keeler Litigation thru 2/28/17	4/29/2017	618.98	618.98
BILL	702052	CLARK HILL, PLC	Onyx Capital Litigation thru 2/28/17	4/29/2017	1,859.59	1,859.59
BILL	702065	CLARK HILL, PLC	Todd Interests thru 2/28/17	4/29/2017	359.55	359.55
BILL	051717	COMCAST	High-Speed Internet	6/18/2017	152.42	152.42
BILL	100113518	Crain Communications, Inc	Investment Consulting RFP	5/11/2017	672.00	672.00
BILL	1197095	CREATIVE BREAKTHROUGHS INC	IT Security Services	5/28/2017	11,400.00	11,400.00
BILL	INV017929	CRESTWOOD ASSOCIATES L.L.C.	Acumatica Training & Implementation	4/30/2017	1,775.00	1,775.00
BILL	INV018158	CRESTWOOD ASSOCIATES L.L.C.	Acumatica Training & Implementation	5/7/2017	4,075.00	4,075.00
BILL	INV018694	CRESTWOOD ASSOCIATES L.L.C.	Acumatica Training & Implementation	5/21/2017	1,325.00	1,325.00
BILL	INV019543	CRESTWOOD ASSOCIATES L.L.C.	Acumatica Training & Implementation	6/11/2017	550.00	550.00
BILL	INV019843	CRESTWOOD ASSOCIATES L.L.C.	Acumatica Training & Implementation	6/18/2017	325.00	325.00
BILL	INV020075	CRESTWOOD ASSOCIATES L.L.C.	Acumatica Training & Implementation	5/7/2017	250.00	250.00
BILL	050517	ELECTRONIC SECURITY SYSTEMS, INC	CCURE 9000 SSA agreement - 6/1/17-5/30/18	6/4/2017	295.00	295.00
BILL	5-805-13751	FEDEX	FedEx Mailings	6/16/2017	28.47	28.47
BILL	5-797-58954	FEDEX	FedEx Mailings	6/9/2017	28.74	28.74
BILL	5-812-62929	FEDEX	FedEx Mailings	6/23/2017	54.62	54.62
BILL	430383	GABRIEL, ROEDER, SMITH & CO	Actuarial Services for March & April 2017	6/11/2017	32,376.00	32,376.00
BILL	201296797	IRON MOUNTAIN	Storage CD's	5/30/2017	667.84	667.84
BILL	FF-228871	MONEY-MEDIA, INC.	Fundfire License Renewal: 6/15/17-6/15/18	6/2/2017	615.00	615.00
BILL	050317	NEOFUNDS BY NEOPOST	Postage	6/2/2017	1,314.57	1,314.57
BILL	051717	REGINALD E. ONEAL	Medical Billing: 1/31/17, 4/24/17-5/2/17	6/29/2017	360.00	360.00
BILL	032717	Ryan Bigelow	Travel Reimbursement	3/27/2017	10.00	10.00
BILL	050217	THOMAS SHEEHAN	Trustee Parking	6/1/2017	133.00	133.00
BILL	053017	THOMAS SHEEHAN	Trustee Stipend	6/29/2017	1,000.00	1,000.00
BILL	150514	ULTIMATE PARKING MANAGEMENT LLC	Parking - June 2017	6/23/2017	1,707.06	1,707.06
BILL	053017	WENDELL ANTHONY	Trustee Stipend	6/29/2017	1,000.00	1,000.00
<b>Cash Account/Payment Method Total:</b>				<b>33 Documents</b>	<b>93,670.85</b>	

**LIQ RESERV Wire Transfer**

Type	Vendor Ref.	Vendor Name	Bill Description	Due Date	Balance	To Pay
WIRE	1017	Banyan Realty Advisors, LLC	Advisory Fees - 1st Qtr '17	6/14/2017	22,117.45	22,117.45
WIRE	052217	ConnectPay	Staff Wages for 5/8/17-5/21/17	5/22/2017	9,306.25	9,306.25
WIRE	052217	Landmark Equity Partners XV, LP	Capital Call	6/21/2017	345,629.00	345,629.00
WIRE	1183077	UHY Advisors MI, Inc. - IT	Internal Analysis of RSCD	9/14/2016	3,440.00	3,440.00
WIRE	1184928	UHY Advisors MI, Inc. - IT	Internal Analysis of RSCD	9/30/2016	2,150.00	2,150.00
WIRE	1213715	UHY Advisors MI, Inc. - IT	IT Professional Services for 4/1/17-4/30/17	5/30/2017	85,125.00	85,125.00
<b>Cash Account/Payment Method Total:</b>				<b>6 Documents</b>	<b>467,767.70</b>	

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

**Re: Refunds of Accumulated Contributions**

Motion By: Trustee Nickleberry - Supported By: Trustee Oxendine

**RESOLVED**, that the contributions to the Annuity Savings Fund by members of the General Retirement System, as set forth:

**List No. 7310 - \$22,731.22**

including interest, be **REFUNDED**, pending audit by the Retirement Systems' Accounting Staff.

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

**Re: Refunds of Accumulated Contributions**

Motion By: Trustee Nickleberry - Supported By: Trustee Oxendine

**RESOLVED**, that the contributions to the Annuity Savings Fund by members of the General Retirement System, as set forth:

**List No. 7311 - \$112,661.04**

including interest, be **REFUNDED**, pending audit by the Retirement Systems' Accounting Staff.

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None



**Re: Employee Loan Program**

Motion By: Trustee Nickleberry – Supported By: Trustee Cetlinski

**RESOLVED**, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$20,329.00** including interest, be hereby **APPROVED**.

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

**Re: Employee Loan Program**

Motion By: Trustee Nickleberry – Supported By: Trustee Cetlinski

**RESOLVED**, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$27,008.00** including interest, be hereby **APPROVED**.

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

**Re: Minutes/Journal No. 4179 – (03/29/17)**

Motion By: Trustee Nickleberry – Supported By: Trustee Cetlinski

**RESOLVED**, that the Minutes/Journal of Proceedings of the General Retirement System of the City of Detroit, of Meeting No. 4179, held on March 29, 2017, be hereby **APPROVED** as recorded and submitted.

Yeas: Cetlinski, Chubb, Naglick, Nickleberry, Oxendine and Sheehan – 6

Nays: Cowan- 1

**Statement by Trustee Cowan:**

***I am voting no because incorrect information was stated on the record at this meeting under Cynthia Thomas' report. Also, I do not agree with Cynthia Thomas and Lamonica Arrington-Cabeau on excluding the statement from the minutes.***

**Re: Minutes/Journal No. 4182 – (05/03/17)**

Motion By: Trustee Nickleberry – Supported By: Trustee Oxendine

**RESOLVED**, that the Minutes/Journal of Proceedings of the General Retirement System of the City of Detroit, of Meeting No. 4182, held on May 03, 2017, be hereby **APPROVED** as recorded and submitted.

Yeas: Cetlinski, Cowan, Chubb, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays:

**Manager's Report**

Manager, **LaMonica Arrington-Cabeau**, discussed the following with The Board:

- Approval of 1.4% Annuity interest rate (This will come back next meeting)
- Active Trustee election update: three candidates have picked up election packets. The deadline for return is June 7, 2017.

*~Manager's report concludes~*

**EXECUTIVE DIRECTOR'S REPORT**

Executive Director, Cynthia A. Thomas discussed the following with The Board:

- Resolution from the Police and Fire Board of Trustees regarding RFP for custodial bank and committee structure  
*The General Board of Trustees appointed Trustee Cowan to serve on the joint RFP committee.*
- Direct Deposit Pay Card

**Motion by: Trustee Nickleberry– Seconded by Trustee Cetlinski,** to acknowledge receipt of the resolution of the Police and Fire Retirement System regarding the Custodial Bank Request for Proposal, and revise the Board's prior resolution from meeting No. 4183 regarding this matter to be consistent with the Police and Fire Retirement System's resolution, and to appoint Tasha L. Cowan as the General Retirement System's representative on the Custodial Bank-Request for Proposal Committee. *The motion passed by a unanimous vote.*

*~Executive Director's report concludes~*

**CHIEF INVESTMENT OFFICER'S REPORT**

Chief Investment Officer **Ryan Bigelow** had no formal report.

**GENERAL COUNSEL'S REPORT**

General Counsel Michael VanOverbeke in addition to his formal legal report discussed the following matters:

- Procurement Policy
- Irvin vs Irvin
- Dumas vs Dumas
- Carl Melchior vs General Retirement System (GRS)
- Ft. Shelby Amendment final consent
- Procentia Contract (bring back)
- Media Consultant RFP (bring back)

**GENERAL COUNSEL'S REPORT (cont'd)**

**Re: David W. Irvin v. Deborah Irvin**  
**Wayne County Circuit Court Case No. 10-103923-DO**

Resolution Moved By: Trustee Nickleberry Supported By: Trustee Oxendine

**WHEREAS**, the Board of Trustees is in receipt of an Eligible Domestic Relations Order ("EDRO"), dated May 8, 2017, wherein Deborah Irvin, the Alternate Payee, is awarded certain rights to the retirement allowance of David W. Irvin, the Participant, and

**WHEREAS**, the Retirement System consists of both a defined benefit plan and a defined contribution (a/k/a the Annuity Savings Fund) plan, and

**WHEREAS**, pursuant to the EDRO, the Alternate Payee is entitled to a portion of both the Participant's defined benefit plan benefits and defined contribution plan benefits payable from the Retirement System, and

**WHEREAS**, the payments from the plan to the Alternate Payee shall begin when the Participant commences benefits from the Retirement System or upon the Alternate Payee's election, but no time before the Participant's earliest retirement eligibility, and

**WHEREAS**, the Board's policy is to require that the cost for the actuary's calculations are to be borne by the parties to the domestic relations proceedings and the parties' EDRO provides that the parties are to share these additional actuarial costs equally, and

**WHEREAS**, said matter had been discussed with legal counsel who has opined that the applicable terms of said court order are consistent with the provisions of the Retirement System and applicable law including Public Act 46 of 1991 (MCLA 38.1701) as amended, therefore be it

**RESOLVED**, that the Board acknowledges receipt of said court order, will pay pension benefits consistent with said order upon application by either the Participant or the Alternate Payee, and further

**RESOLVED**, that a copy of this resolution be immediately attached as the top sheet of the pension file and other appropriate records be kept for the Retirement System relative to this matter, and further

**RESOLVED**, that copies of this resolution be sent to David W. Irvin, the Participant; Eric S. Glick, Esq., attorney for the Participant; Deborah Irvin, the Alternate Payee; and the Board's Actuary.

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

**GENERAL COUNSEL'S REPORT (cont'd)**

**Re: LaRuth Boyd-Dumas v. Michael Dumas**  
**Wayne County Circuit Court Case No. 10-111963-DO**

Resolution Moved By: Trustee Oxendine Supported By: Trustee Cetlinski

**RESOLVED**, to acknowledge receipt of the parties' Judgment of Divorce in the above-referenced matter, dated November 22, 2010, which states in pertinent part that:

*"Pensions. Plaintiff is awarded \$20,000 of Defendant's Retirement Annuity Fund with the City of Detroit that accrued during the marriage as payment for her interest in the marital home",*

and further

**RESOLVED**, that the Retirement System is also in receipt of a handwritten document signed by Michael Dumas and LaRuth Boyd-Dumas that states in pertinent part that:

*"I, Michael Dumas, will give LaRuth Boyd Dumas \$20,000 (Twenty Thousand Dollars) from my City of Detroit Retirement Annuity Fund when I retire on 12-31-2020... LaRuth Boyd Dumas is still entitled to the \$20,000 (Twenty Thousand Dollars) even in my death before retirement."*

**RESOLVED**, that the Board's General Counsel has reviewed the Judgment of Divorce and the handwritten designation of beneficiary, and has determined that they are consistent with applicable law, and further

**RESOLVED**, that the Board will pay pension benefits consistent with the provisions of the parties' November 22, 2010 Judgment of Divorce and the handwritten designation of beneficiary wherein the Participant's former spouse, LaRuth Boyd-Dumas, is entitled to \$20,000 from the Participant's Annuity Savings Fund account, and further

**RESOLVED**, that a copy of this resolution be immediately attached as the top sheet of the pension file and other appropriate records be kept for the Retirement System relative to this matter, and further

**RESOLVED**, that a copy of this resolution be sent to LaRuth Boyd Dumas, the Participant's former spouse.

Yeas: Cetlinski, Chubb, Cowan, Naglick, Nickleberry, Oxendine and Sheehan – 7

Nays: None

- ***Trustee Wendell Anthony joined the Board Meeting at 10:34 a.m.***

**GENERAL COUNSEL'S REPORT (cont'd)**

**Motion by: Trustee Cetlinski– Seconded by Trustee Anthony,** The Board of Trustees authorizes the Board Chair and one additional Trustee to act as signatories on the Consent to First Amendment to Condominium Project on the Fort Shelby Condominium development. *The motion passed by a unanimous vote.*

***~General Counsel's report concludes~***

**PRESENTATION:**

**Re: Gabriel Roeder Smith and Company**

**Ken Alberts and David Kausch** came before the Board of Trustees to discuss the following:

- Annual Actuarial Valuation of Component II June 30, 2016
- Actuarial Assumptions for Optional Forms of Benefits

**Motion by: Trustee Cowan– Seconded by Trustee Naglick,** The Board of Trustees directs Gabriel Roeder Smith and Co. to move forward with developing a funding policy, upon recommendation and further input from the Investment Committee. *The motion passed by a unanimous vote.*

**Re: Approval of June 30, 2016 Annual Actuarial Valuation – Component II**

**Motion by: Trustee Anthony– Seconded by Trustee Cowan,** The Board of Trustees acknowledges receipt and approval of the Annual Actuarial Valuation of Component II for the fiscal year ending June 30, 2016 as presented by the Board's actuary Gabriel Roeder Smith and Company. *The motion passed by a unanimous vote.*

**Re: Adoption of Actuarial Assumptions for purposes of determining optional forms of benefits for Component I and Component II of the Retirement System**

Motion by: Trustee Cowan– Supported by Trustee Naglick,

**WHEREAS**, the Board of Trustees of the General Retirement System of the City of Detroit is vested with the authority and fiduciary responsibility for the administration, management, and operation of the Retirement System, and

**WHEREAS**, the provisions of the plan are subject to the applicable provisions of the Internal Revenue Code, applicable state law, the applicable charter and ordinance provisions of the City of Detroit and the Combined Plan for the General Retirement System, and

**WHEREAS**, the Retirement System's actuary, Gabriel Roeder Smith & Company, in its correspondence dated May 4, 2017, has provided guidance and requested clarification/confirmation from the Board and the Retirement System's Investment

Committee with respect to the actuarial assumptions to be utilized for the optional forms of benefits (e.g., contingent J&S option beneficiaries, annuitization of voluntary contributions and early retirements) payable under both Component I (Hybrid) and Component II (Legacy) of the Combined Plan, and

**WHEREAS**, Section 2.1.(4) of the Combined Plan defines "Actuarial Equivalent Value" in pertinent part as values calculated under generally accepted actuarial methods and using "the applicable tables, interest rates and other factors established by the Board upon the recommendation of the Investment Committee" and adopted by the Board from time to time and consistent with the Plan of Adjustment, and

**WHEREAS**, Section 10.4.(2) of the Combined Plan provides in pertinent part that the annuity calculation for members electing to annuitize their Accumulated Voluntary Contributions at the time of retirement "shall be subject to market rates of investment return and other market-related assumptions, as adopted by the Board upon recommendation of the Investment Committee", and

**WHEREAS**, the Board has discussed this matter amongst the Board members, and with its Actuary and General Counsel, therefore be it

**RESOLVED**, that the Board acknowledges receipt and review of the correspondence from Gabriel Roeder Smith & Company dated May 4, 2017 and the recommendation of the Investment Committee as to the actuarial assumptions to be adopted and utilized for calculation of the optional forms of benefits payable under the Combined Plan, and

**FURTHER RESOLVED**, that in accordance with the guidance provided by the Retirement System's actuary and consistent with the Investment Committee's recommendation, the following actuarial assumptions and guidelines for purposes of

**Re: Adoption of Actuarial Assumptions for purposes of determining optional forms of benefits for Component I and Component II of the Retirement System**

determining optional forms of benefits for Component I and Component II are hereby adopted:

1. Component I & II. While the assumption factors for optional forms of benefits may be different between Component I and Component II, at this time the factors between both Component Plans should be the same except the COLA assumption as noted below. At such time as greater historical experience and data is generated on the new Component I (Hybrid Plan), different assumption factors may be appropriate.
2. Mortality. For contingent options (i.e., 100% J&S, 50% J&S, etc., paid to a beneficiary), annuitization of voluntary contributions and early retirements, both Component Plans shall utilize the RP-2014 with Blue Collar Adjustment (BCA) mortality table, with an eleven (11) year static projection of mortality improvement.
3. Interest Rates. For contingent options and early retirements, both Component Plans shall utilize a 6.75% interest rate. For the annuitization of voluntary contributions, both Component Plans shall utilize 5.25% interest.
4. Unisex Blends. For contingent options both Component Plans shall utilize a unisex mix of 80% male/20% female. For early retirements and the annuitization of voluntary contributions both plans shall utilize a unisex mix of 60% male/40% female.
5. COLA. The potential COLA in Component I shall be reflected in the Component I assumption factors at 1/2%. There shall continue be no COLA assumption reflected in the Component II calculations.
6. Overpayments/Underpayments. These updated assumptions and factors shall also be utilized for any calculations with respect to overpayments or underpayments of benefits.
7. Anti-Selection. No adjustments shall be made for anti-selection.

**FURTHER RESOLVED**, that the RSCD Staff shall prepare a recommended implementation process and timeline for Board approval which shall include a recommendation as to an implementation date which is administratively feasible for the new assumptions to be applied to future benefit calculations, and

**FURTHER RESOLVED**, that these revised actuarial assumptions shall be utilized by the Actuary after approval of an implementation date by the Board, and

**FURTHER RESOLVED**, that a copy of this resolution shall be provided to the GRS Investment Committee, the Retirement System's actuary and appropriate RSCD staff, and

**FURTHER RESOLVED**, that a copy of this resolution shall be maintained in the Retirement System's records.

**Investment Committee recommended assumption of optional benefit. *The motion passed by a unanimous vote.***



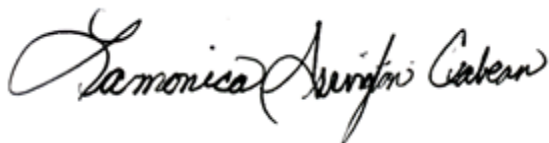
**NEW BUSINESS/OLD BUSINESS**

- None

**ADJOURNMENT**

There being no further business before the Board, **Chairperson Sheehan** adjourned the meeting at 12:40 p.m. The Board's next meeting is scheduled for **Wednesday, June 07, 2017**, at 10:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, reading "Lamonica Arrington-Cabeau", is written over a horizontal line. The signature is cursive and fluid.

LAMONICA ARRINGTON-CABEAN  
MANAGER II